Yukon

Liquor Corporation

13th Annual Report

April 1, 1989 to March 31, 1990

91-01656/

The Honourable A. Webster
Minister Responsible for the
Yukon Liquor Corporation
Executive Council Office
Box 2703
Whitehorse, Yukon
Y1A 2C6

Dear Mr. Webster:

I have the honour to submit the Annual Report of the Yukon Liquor Corporation for the fiscal year ended March 31, 1990.

I respectfully request that this report be tabled at the next ensuing session of the Legislative Assembly, in accordance with Section 14 of the Liquor Act.

Respectfully submitted,

Margaret A. Dunn
Chairperson
Board of Directors

Margaret A. Dunn
Chairperson
Board of Directors
Yukon Liquor Corporation
9031 Quartz Road
Whitehorse, Yukon
Y1A 4P9

Dear Mrs. Dunn:

I have the honour to submit herewith the Thirteenth Annual Report of the Yukon Liquor Corporation for the fiscal year ending March 31, 1990, pursuant to Section 13 of the Liquor Act.

Respectfully submitted,

A. Vantell
President and
Chief Executive Officer

YUKON LIQUOR CORPORATION

THIRTEENTH ANNUAL REPORT

1990

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PRESIDENT AND CHIEF EXECUTIVE OFFICER'S MESSAGE

The Yukon Liquor Corporation continued to administer its mandate under the Liquor Act while making progressive changes in the areas of customer service and interaction with the industry.

In responding to changing consumer needs and market trends, the Corporation continued to focus on new programs of marketing and merchandising. In reaction to very positive customer response, in store sampling and other new marketing techniques were expanded during the fiscal year.

The 1989/90 fiscal year represented another year of financial stability with a marginal increase in beverage alcohol consumption of 377 hectolitres, and a $.4 million increase in sales over 1988/89. Further, net income increased by $.2 million and remittances to the Yukon Territorial General Revenue Fund totalled $8 million.

The Corporation wishes to express sincere appreciation to the members of the Board of Directors for their support and assistance. The Corporation also wishes to thank the officers and staff of the RCMP throughout the Territory for their efficient cooperation in enforcing the provisions of the Liquor Act.

Our dedicated and very experienced staff look forward to future challenges: improving operations while continuing to maintain a fine balance between providing revenue to the Territorial Government and maintaining high standards for customer service.

A. Vantell
President and
Chief Executive Officer

OPERATIONAL REVIEW

The Yukon Liquor Corporation (YLC) is a Yukon Territory crown corporation responsible for the administration of the Liquor Act and Regulations, and for the purchase and sale of all beverage alcohol products in the Territory.

YLC operates six (6) liquor stores which offer consumers an extensive and varied selection of over 800 product lines from countries around the world.

Throughout Yukon, over 481 licences were issued by the YLC for the sale of spirits, wine, and beer. During 1989/90, a total of 479 Special Occasion and Reception Permits were issued.

The YLC was established in 1977. This year marks its 13th anniversary, conducting the dual duties of the control and sale of beverage alcohol and the licensing and inspection of premises licensed for the service and consumption of liquor.

The operational and administrative duties of the Corporation are conducted through its three branches; Finance and Administration, Stores and Warehousing, and Licensing and Inspections.

Finance and Administration

The Finance section provides for the financial control and reporting needs of the Yukon Liquor Corporation. As well, the section is responsible for the enhancement of current information systems and the development of any new systems as required.

The Administration section provides the Yukon Liquor Corporation with various essential support services. Responsibilities and services of this section include records management, contract administration, communications, receptionist functions, and other general support services to all branches of the Corporation.

The Human Resources section provides a support service function to all three branches on a territory-wide basis, ensuring the Yukon Liquor Corporation meets its human resource needs while complying with territorial government legislation and guidelines. In conjunction with the Public Service Commission, the human resources section meets its responsibility by providing for the selection, placement, salary administration, and career development of Corporation employees.

Stores and Warehousing

The Stores and Warehousing Branch provides service to the public and to licensees through:

- operation of the Corporation's network of six (6) retail stores;
- operation of the warehouse and distribution centre in Whitehorse;
- development and implementation of proposals for new or revised store locations and for basic store design to support customer service and merchandising activities;
- development and implementation of proposals for the improvement of facilities and services offered to customers;
- purchasing beverage alcohol products in response to evolving consumer demand; and
- placing special orders for unlisted products to suppliers around the world on behalf of licensees and individuals.

During 1989/90 progressive marketing and merchandising techniques continued to be developed. These techniques included shelf management, merchandise displays, and in-store tasting programs.

Licensing and Inspections

The Licensing and Inspections Branch is responsible for the licensing and inspection of facilities where liquor is served to members of the general public. On an annual basis, the branch issues licences and permits for a broad variety of facilities across the territory and employs inspectors who visit these facilities, liaising with operators to ensure all aspects of liquor legislation are observed.

New applicants for licences and permits are interviewed by members of the branch as part of the approval process. Close contacts are maintained with enforcement agencies such as police, fire and health inspection branches across the territory.

YUKON LIQUOR CORPORATION

THIRTEENTH ANNUAL REPORT

1989/90

COMPARATIVE STATEMENT OF SALES BY PRODUCT TYPE

($000's)

		1990	PERCENTAGE OF SALES	1989	PERCENTAGE OF SALES
SPIRITS					
Rye	- Domestic	$ 1,971	11.6	$ 2,048	12.4
	- Imported	45	.3	46	.3
Scotch	- Domestic	24	.2	35	.2
	- Imported	422	2.5	436	2.6
Rum	- Domestic	1,106	6.5	1064	6.4
	- Imported	25	.1	23	.1
Gin/Vodka	- Domestic	1,143	6.8	1,134	6.9
	- Imported	250	1.5	142	.9
Brandy	- Domestic	26	.2	38	.2
	- Imported	104	.6	93	.6
Liqueur	- Domestic	409	2.4	436	2.6
	- Imported	813	4.8	834	5.1
Total Spirits		$ 6,338	37.5	$ 6,329	38.3
WINE					
Domestic		$ 1,166	6.9	$ 1,072	6.5
Imported		1,162	6.9	1,214	7.4
Total Wine		$ 2,328	13.8	$ 2,286	13.9
BEER					
Domestic		$ 8,062	47.6	$ 7,733	46.9
Imported		201	1.1	151	.9
Total Beer		$ 8,263	48.7	$ 7,884	47.8
TOTAL SALES		$16,929	100.0	$16,499	100.0

YUKON LIQUOR CORPORATION

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SCHEDULE OF SPIRITS, WINE AND BEER SALES BY STORE

($000's)

	SPIRITS	WINE	BEER	1990	1989
WHITEHORSE	$ 2,406	$ 1,109	$ 1,436	$ 4,951	$ 4,811
DAWSON CITY	512	205	807	1,524	1,515
MAYO	163	62	193	418	573
WATSON LAKE	544	206	661	1,411	1,370
HAINES JUNCTION	139	55	315	509	476
FARO	440	117	616	1173	992
LICENSED OUTLET	2,134	574	4,235	6,943	6,762
1990	$ 6,338	$ 2,328	$ 8,263	$16,929	
% OF SALES	37.5	13.8	48.7	100.0	
1989	$ 6,329	$ 2,286	$ 7,884		$16,499
% OF SALES	38.4	13.8	47.8		100.0

YUKON LIQUOR CORPORATION

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SCHEDULE OF HECTOLITRES OF LIQUOR SOLD

	SPIRITS	WINE	BEER	1990	1989
WHITEHORSE	1,019	1,585	6,385	8,989	8,337
DAWSON CITY	216	310	3,546	4,072	4,107
MAYO	71	110	819	1,000	1,531
WATSON LAKE	230	319	2,855	3,404	3,439
HAINES JUNCTION	59	87	1,366	1,512	1,410
FARO	190	185	2,611	2,986	2,494
LICENSED OUTLET	904	767	18,587	20,258	20,526
TOTAL: 1990	2,689	3,363	36,169	42,221	
TOTAL: 1989	2,847	3,306	35,691		41,844
% Increase	(5.5)%	1.7%	1.3%	0.9%	

AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Executive Council Member responsible for the
Yukon Liquor Corporation

I have examined the balance sheet of the Yukon Liquor Corporation as at March 31, 1990 and the statement of income for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1990 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

I further report that, in my opinion, proper books of account have been kept by the Corporation, the financial statements are in agreement therewith and the transactions that have come under my notice have, in all significant respects, been in accordance with the Yukon Financial Administration Act and regulations, the Liquor Act and regulations, the by-laws of the Corporation and the Liquor Tax Act.

Raymond Dubois, F.C.A.
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
May 30, 1990

YUKON LIQUOR CORPORATION

Balance Sheet
as at March 31, 1990

ASSETS

	1990	1989
	(thousands of dollars)	
Current		
Cash	$ 840	$ 1,967
Accounts receivable	118	89
Inventories	2,354	2,337
Prepaid expenses	18	16
	$ 3,330	$ 4,409

LIABILITIES

Current		
Accounts payable	$ 2,233	$ 3,351
Deferred revenue	108	107
	2,341	3,458
Accrued employee termination benefits	289	251
Government of the Yukon Working capital advance	700	700
	$ 3,330	$ 4,409

Approved by the Board:

Margaret A Dunn
Chairman

Member

YUKON LIQUOR CORPORATION

Statement of Income
for the year ended March 31, 1990

	1990	1989
	(thousands of dollars)	
Sales	$ 16,929	$ 16,499
Cost of goods sold	8,307	8,219
Gross profit	8,622	8,280
Expenses		
Salaries and employee benefits	2,150	2,096
Rentals, utilities and maintenance	467	386
Cartage	157	158
Travel and communication	102	72
General and office supplies	75	78
Professional services	16	12
Board honoraria and expenses	11	12
Miscellaneous	2	8
	2,980	2,822
Operating income	5,642	5,458
Other income		
Fees, permits and licences	70	67
Bank interest	26	72
Miscellaneous	188	149
	284	288
Net income for the year, transferred to the Government of the Yukon	$ 5,926	$ 5,746

YUKON LIQUOR CORPORATION

Notes to Financial Statements
March 31, 1990

1. Authority and operations

The Corporation, established under the Liquor Act, is responsible for the purchase, distribution and sale of liquor within the Territory. It is also responsible for controlling the sale of liquor through licenced outlets and enforcing all matters related to the Act.

The Corporation is provided with an interest-free working capital advance by the Government of the Yukon. In accordance with the Act, the net income for the year is transferred to the Government of the Yukon.

2. Accounting policies

These financial statements have been prepared by management in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. The more significant accounting policies are as follows:

Inventories

Inventories are valued at landed cost at Whitehorse.

Fixed assets

Fixed assets have been financed by the Government of the Yukon under a capital vote within the Capital Estimates of the Government. While the custody of the assets is with the Corporation, these assets are owned by the Government of the Yukon.

Pensions

The Corporation and its employees, who are deemed to be employees of the Government of the Yukon, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. Contributions to the Plan are required from both the employees and the Corporation. These contributions represent the total liability of the Corporation and are recognized in the accounts on a current basis.

3. Fixed assets

The cost to the Government of the Yukon of fixed assets held by the Corporation at March 31 is as follows:

	1990	1989
	(thousands of dollars)	
Liquor store buildings	$ 978	$ 978
Store and warehouse improvements	1,167	1,115
Equipment	447	479
Furniture and office equipment	123	130
	$ 2,715	$ 2,702

4. Accommodation and services provided without charge

These financial statements do not reflect the cost of accommodation and other services provided without charge by the Government of the Yukon, or the value of services provided without charge to the Government by the Corporation in its capacity as Territorial Agent in localities outside Whitehorse. The value of services provided by the Government to the Corporation is estimated at $598,000 (1989- $414,000). The value of services provided by the Corporation to the Government is estimated at $233,000 (1989- $225,000).

5. Collection of liquor taxes

The Corporation transferred to the Government of the Yukon liquor taxes of $2,031,000 (1989 - $1,980,000) collected during the year under the Liquor Tax Act.

6. Related party transactions

In addition to the related party transactions disclosed in Notes 3 to 5 inclusive, accounts payable at March 31, 1990 include $1,134,000 due to the Government of the Yukon (1989- $1,594,000).

7. Lease commitments

The Corporation has commitments to December 31, 1990 for leased premises of $145,000.

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LIQUOR LICENCES ISSUED

	1990	1989
Liquor Cocktail Lounge	63	62
Beer Tavern	1	1
Dining Room	54	51
Restaurant Beer and Wine	39	38
Liquor Off Premises	70	68
Beer Off Premises	24	24
Club Liquor	13	13
Beer Canteen	1	0
Special Liquor	17	14
Aircraft/Ship Liquor	4	5
Room Service Liquor	20	17
Mess Liquor	3	3
Sport Stadium	1	1
Recreation Facility	3	2
TOTAL	313	299

PERMITS ISSUED

Reception Permits	184	155
Special Occasion Permits	295	311
Wine Making	2	0
TOTAL	481	466

SUMMARY OF PERMITS ISSUED BY LOCATION DURING 1990

	RECEPTION	SPEC. OCC.	WINE MAKING
Whitehorse Office	126	152	2
Faro Store	4	50	-
Mayo Store	3	11	-
Watson Lake Store	1	26	-
Haines Junction Store	7	15	-
Dawson City Store	43	41	-
TOTAL	184	295	2

SUSPENSION OF LICENCE PRIVILEGES

During the 1989/90 fiscal year, five (5) liquor licences were suspended and four (4) letters of warning were issued. Service to intoxicated persons, service to minors, allowing intoxicated persons to remain on the premises, and unacceptable advertising were the most common infractions.